

8 November 1971

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : CIA Support for the CIEP

1. CIA's support for Mr. Peterson and the CIEP has increased considerably in recent weeks in response to the implementation of Peterson's study program to back up the new US economic policy. Peterson has specifically requested one study from CIA; the Chairmen of Interagency Working Groups established under CIEP auspices have requested other work; and we are indirectly supporting some interagency studies through work already incorporated in our Economic Research Program.

2. Recently the Peterson Staff requested an assessment of foreign reaction to the new US economic policies. Our work will include an appraisal of the foreign reactions to date and an assessment of foreign reactions to several possible US actions over the next year or so. This work will be completed next week.

3. We have been providing ad hoc support to the CIEP Working Group on Monetary Questions (the so-called "Volcker Group"). This support has consisted mainly of trying to simulate the IMF trade adjustment model to estimate the exchange rate changes required to achieve specified trade balance objectives.



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4. We are participating in a CIEP study on international direct investment being done under the chairmanship of Wilson Schmidt of Treasury. We are providing a contribution on the importance of US direct investment to the economies of LDCs, the impact of these countries' economic policies on US investment, and the impact of US direct investment in LDCs on the US balance of payments. The contribution is due on 16 November.

5. Our support for the CIEP study on international transfer of technology has been limited to some general consultations and the forwarding of on-the-shelf material on Soviet technology to the working group.



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7. We have also been tasked to produce a wide variety of graphics for use in a CIEP publication.

EDWARD W. PROCTOR
Deputy Director for Intelligence

ADDI:PVWalsh:fbr

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MEMORANDUM FOR: Dr. Henry A. Kissinger
Assistant to the President for
National Security Affairs

The attached is in response to your
request to be kept informed of the work
the Agency is doing for Peterson's Council
on International Economic Policy.

Richard Helms

(DATE)

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Remarks: <p>You will remember that Kissinger asked to be kept informed of the work we are doing for Peterson's Council on International Economic Policy. Attached you will find a memo from me to you. I suggest that you send my memo down to Kissinger with the proposed note also attached.</p> <p style="text-align: right;">Ed Proctor</p>			
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